

# TESTIMONY: HB 4609

June 2, 2015

Randy Block, MSW, Director

Michigan Unitarian Universalist Social Justice Network

My name is Randy Block. I'm Director of the Michigan Unitarian Universalist Social Justice Network (MUSJN), a statewide network of over 2,000 Unitarian Universalist activists from 27 UU congregations and their allies. Special thanks to the Roads and Economic Development Committee for providing an opportunity for the public to comment on HB 4609, a bill that would eliminate the Earned Income Tax Credit (EITC) for low-income workers to help fix Michigan roads.

Unitarian Universalists believe that each person has worth and should be treated with dignity. Michigan's EITC lets working families who earn low wages and have fallen on hard times to get a tax break that allows them to keep more of what they earn to pay for their basic needs such as food, shelter and clothing.

In 2013, the average person on Michigan's EITC received \$143, only six percent of the federal EITC which that year paid low income Michigan workers an average of \$2,387. In 2011, Michigan lawmakers slashed the EITC from 20% of the federal EITC to 6% to help pay for major tax cuts for businesses.

Increasing taxes on low income families is not a fair or rational way to share the burden of the cost of repairing Michigan's roads. Currently, families living in the lowest 10% income levels in Michigan, pay 9.2% of their income in state and local taxes. However, families in Michigan's top 1% income bracket, pay only 5.7% of their income in state and local taxes. A recent survey showed that 66% of active Michigan voters want more fairness in our state's tax system and would support the establishment of a graduated state income tax.

Michigan shouldn't pave its roads on the backs of working poor. The Michigan EITC is one of the State's most effective tools for reducing poverty and for building economic security. Every tax dollar a low-income family receives is spent to buy goods and services; it directly stimulates Michigan's economy. The \$117 million that would be saved by eliminating the credit is drop in the \$1 billion+ transportation plan, but it would have a huge impact on families who are struggling to make ends meet.

People of faith believe that lawmakers should restore the full 20% Michigan EITC, not eliminate it. Raising taxes on the poor is an unfair public policy that does not serve the best interests of our State. I urge members of the Roads and Economic Development Committee to vote NO on HB 4609.

For more information, contact Randy Block at 248-549-5170.